

Locals in Congress demand oversight

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Wouldn't it be nice to know their plans for your money -- to say nothing of the billions of dollars they've already received?

As it happens, Brevard County's two rookie U.S. representatives have heard testimony this week on a bill that could add transparency and accountability to the bailout.

Democratic Rep. Suzanne Kosmas, who represents northern Brevard County, joined 37 colleagues from both parties Tuesday in signing a letter to House leadership calling for better protection of taxpayer dollars.

Republican Rep. Bill Posey, who represents central and southern Brevard, thinks the bill's "intentions are great," but it doesn't do enough to ease constituents' problems, especially with lenders. Both are members of the House Financial Services Committee.

"We don't know where all the money went to this day," Posey told me Wednesday.

Transparency rules

The bill by Rep. Barney Frank, D-Mass., the chairman of the House Financial Services Committee, would require:

- Quarterly reports: The Treasury Department would require any institution that receives money through the Troubled Assets Relief Program -- known as TARP -- to report at least quarterly on its use of the funding.
- Lending data: Any insured depository institution that receives funding under TARP would have to report quarterly on the amount of any increase or decrease in lending related to the financial assistance.
- Agreements on use of funds: The treasury would be required to ink agreements with banks and federal regulators on how funds are to be used and benchmarks the institutions must meet.

Let's hope Congress passes those standards, at least.

Not only do taxpayers deserve accountability now, but our leaders and academics need long-term data to know what kind of stimuli can correct (or worsen) an economic downturn. Without data, the country is at the mercy of ideologues -- we've already heard from plenty who seem to agree on little.

In a statement, Kosmas said: "Small and medium businesses are the engines for American job creation. But without a system to track the use and impact of stimulus investment by these groups, it will be nearly impossible to gauge the effectiveness of taxpayer dollars."

'Golden parachutes'

Posey agrees on the need for tracking. He also likes provisions that would restrict executives' bonuses and other compensation at financial companies that receive TARP money.

The bill would prohibit incentives that "encourage excessive risks" and force executives to repay compensation received based on materially inaccurate statements. And it would prohibit all "golden parachute" payments for the duration of the federal investment.

But beyond Wall Street, the bill doesn't require enough accountability at the local level, Posey said. He pointed to a problem a constituent has had trying to catch up on mortgage payments with a major national lender (and TARP recipient) that stubbornly refuses to accept anything less than a check for all outstanding principal, interest and fees.

Meanwhile, he said, the resident owes \$100,000 more than the home is worth -- an incentive to walk away.

Posey also complained the Democratic leadership won't permit any amendments to the bill. And the Senate doesn't like it, he said.

"It doesn't address the real problems," Posey said.